

Service Date: February 22, 2002

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application)	UTILITY DIVISION
of MDU RESOURCES GROUP, INC. for)	DOCKET NO. D2002.2.15
Authorization to Issue up to 100,000)	DEFAULT ORDER NO. 6400
Additional Shares of Common Stock)	
Pursuant to a Group Genius Innovation Plan)	

On February 6, 2002, MDU Resources Group, Inc. ("MDU" or "Company") filed an application with the Montana Public Service Commission ("Commission") seeking authority to issue up to 100,000 additional shares of the Company's common stock, par value \$1.00 per share ("Common Stock"), as proposed in the application, pursuant to the MDU Resources Group, Inc. Group Genius Innovation Plan. The application is filed pursuant to Title 69, Chapter 3, Part 5, MCA.

The application was supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of issuance of securities by electric and gas utility companies operating within Montana. For detailed information with respect to the general character of MDU's business and the territory served by it, reference is made to its annual report on file with the Commission.

At a regular open session of the Montana Public Service Commission, held at its offices on February 21, 2002, there came before the Commission for final action the matters in this Docket, and the Commission, having fully considered the application and data and records pertaining thereto on file with the Commission and being fully advised in the premises, makes the following:

FINDINGS OF FACT

1. MDU is a corporation organized and existing under and by virtue of the laws of the State of Delaware and is qualified to transact business in the State of Montana.

2. MDU is operating as a public utility as defined in 69-3-101 and 69-3-102, MCA, and as such is engaged in furnishing electric and natural gas service in Montana.

3. The Commission has jurisdiction over the subject matter of this application under Title 69, Chapter 3, Part 5, MCA.

4. That MDU hereby applies for an order of the Montana Public Service Commission (the "Commission") for authority to issue up to 100,000 additional shares of the Company's common stock, par value \$1.00 per share ("Common Stock"), to be issued from time to time in connection with the MDU Resources Group, Inc. Group Genius Innovation Plan (the "Plan"), as described below (the "Application").

The Plan was adopted by the Board of Directors of the Company on May 17, 2001. The purpose of the Plan is to encourage employees to share ideas with the Company concerning new business directions for the Company and to reward employees should those ideas become profitable. The Plan permits the grant of stock options, stock appreciation rights (payable in cash or stock), restricted stock, restricted stock units, performance units (payable in cash or stock), performance stock and other awards. The Plan is broad-based, open to all employees (including employees covered by any collective bargaining agreements whose contracts do not prevent participation) other than directors and officers (other than assistant secretaries and assistant treasurers). No options or other awards have been granted as of the date hereof.

The Plan provides for the issuance of up to 100,000 shares of Common Stock. The Company desires to be able to issue Common Stock for awards pursuant to the Plan and is, therefore, requesting the Commission's approval of this application.

MDU requests that the authorization granted pursuant to this application permit the Company to issue and sell the Common Stock pursuant to the Plan, from time to time, in one or more transactions, until all the shares specified in this application have been issued.

5. The proposed issuance of the Common Stock is designed as to permit the Company to comply with the various provisions of the Plan described in the application.

6. The transactions proposed by MDU (a) are consistent with the public interest; (b) are for a purpose or purposes permitted under the laws of the State of Montana; (c) are necessary or appropriate for and consistent with the proper performance by MDU of service as a public utility; and (d) will not result in a situation in which the aggregate amount of the securities outstanding and proposed herein to be outstanding will exceed the fair value of the properties and business of MDU.

CONCLUSIONS OF LAW

The securities transactions proposed by MDU, as herein authorized, will be for a lawful purpose and are consistent with the public interest; the same are appropriate and consistent with the necessary performance of MDU of service as a public utility; and the aggregate amount of securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of MDU.

ORDER

IT IS HEREBY ORDERED by the Commission:

1. The application of MDU Resources Group, Inc. for authority to issue up to 100,000 additional shares of Common Stock pursuant to the Company's Group Genius Innovation Plan, as proposed in the application, is hereby approved and authority is granted.

3. Neither the issuance of securities by MDU pursuant to the provisions of this Order nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any securities authorized, issued, assumed, or guaranteed hereunder.

4. The approval of this application shall not be construed as precedent to prejudice any future action of this Commission with regard to any issue.

5. Issuance of the Order does not constitute acceptance of the MDU's exhibits or other material accompanying the application for any purpose other than the issuance of this Order.

DONE IN OPEN SESSION at Helena, Montana this 21st day of February, 2002, by a vote of 4 – 1.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner
Voting to Dissent

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.